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July 27, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Record Requests:

From the Attorney General:

RR-AG-46	RR-AG-57	RR-AG-61	RR-AG-62
RR-AG-66	RR-AG-67		

From the Department:

RR-DTE-76	RR-DTE-83	RR-DTE-99	RR-DTE-100
RR-DTE-102	RR-DTE-105		

From the MOC:

RR-MOC-2	RR-MOC-3
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From the UWUA:

RR-UWUA-5

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)

A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Cochis, Assistant Attorney General (4 copies)

Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: John Skirtich, Consultant (Revenue Requirements)

- RR-AG-46: Provide the following corporate jet information:
- Is it owned or leased currently. Why no depreciation expense was assigned to Bay State
 - Number of flights during the test year, 2004, to and from Bay State
 - Number of passengers
 - Specific reason for the flight to MA. and explain the benefit to Bay State ratepayer.
 - Regarding our response to AG-19-27, provide an explanation of the \$36,000 of rents category and items over \$10,000 included in outside services
 - Explain allocation method for company aircraft

Response:

- The corporate jet is owned by NiSource Corporate Service Company ("NCS"). Depreciation expense for the corporate jet is assigned to the parent company.
- There were 12 flights to and from Bay State Gas in 2004.
- There were a total of 30 passengers on those flights to Massachusetts.
- The purpose of the various flights is not maintained by flight operations. The flights carry NCS and Bay State management personnel to attend business and operational meetings in Massachusetts, Columbus, Ohio, and/or Merrillville, Indiana, which are necessary to ensure safe, reliable service for Bay State customers. NiSource Inc. executives travel to Massachusetts to discuss strategic and operational objectives with the Bay State management team, which benefits Bay State customers. For example, Gary Neale, Chairman of the Board of NiSource Inc. traveled to Bay State on March 15, 2004 and Gary Neale and Robert Skaggs, Chief Executive Officer of NiSource Inc. traveled to Bay State on November 30, 2004.

In addition to the 12 flights noted above, there were approximately 190 round trip flights between Merrillville, Indiana and Columbus, Ohio with such flights carrying over 900 passengers. Many of these passengers are employees of NCS and are conducting general

corporate business that benefits Bay State, as it benefits all other affiliates.

- The rents category of \$36,000 represents hourly rent charged for use of another aircraft when needed. There are no items over \$10,000 included in outside services.
- The allocation method used for the company aircraft is TA which is an allocation method based on the last twelve months of NCSC contract bills. All affiliates are billed a percentage of the charges.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-AG-57: Provide an estimate of rate-year revenues based on the proposed dual-fuel rates applied to the actual test-year billing determinants of known dual-fuel customers.

Response: See Attachment RR-AG-57. Pages 1 and 2 presents, for the Brockton & Lawrence divisions and Springfield division, respectively, the calculated monthly and annual total 2004 distribution revenues, minimum annual distribution revenues based on the Company's proposed dual fuel tariff provisions, and the additional revenues if the provision was in effect and that all these customers opted to continue to take firm service with this provision. Monthly volumes and distribution revenues are also presented on page 3 (Brockton), page 4 (Lawrence) and pages 5 & 6 (Springfield).

The Company has identified 81 dual fuel customers, whose annual use is greater than 10,000 MMBtu, and thus fall into the G/T-42, 43, 52 or 53 rate classes. Considering that these customers are relatively large volume customers, the Company expects that the aggregated annual load should account for a majority of the dual fuel load on the Company's system.

The Company could not extract from the Customer Information System 2004 distribution revenues, only, from these customers, and therefore, calculated distribution revenues for each customer using the average seasonal distribution rates for the test year. These average rates were derived by dividing the sum of the base revenues of the four classes on lines 75 & 76 (pg. 4) by the billing determinants on lines 53 & 54 (pg. 1) of Schedule JAF-2-1. Further, since some customers were on different rates throughout 2004, including seven customers on Interruptible Sales service prior to December 2004, it became even more necessary to calculate the annualized distribution revenues of all customers. Also, the Company estimated each customer's peak day requirement (to calculate the minimum distribution revenues according to the proposed dual fuel tariff) by taking the peak month use and dividing by 30 for processing load and dividing by 20 for heating load.

Bay State Gas Company
Distribution Revenues of Dual Fuel Customers (Identified)
2004 - With & Without Proposed Minimum Revenue Requirement

Distribution Revenues - 2004 vs. Minimum @ Proposed MC-based Dual Fuel Tariff

Division	Customer	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	Estimated Peak Day	Min. Rev @ Unit MC \$42.36	Min v 2004 Additional Dist. Revs	RR-AG-57 Calc Dist DF Revs
Brockton	1	\$4,546	\$0	\$0	\$2,421	\$160	\$187	\$238	\$205	\$174	\$215	\$1,314	\$0	\$9,660	156	\$12,865	\$3,206	\$12,865
	2	\$0	\$0	\$0	\$137	\$622	\$280	\$0	\$0	\$0	\$22	\$0	\$0	\$1,043	272	\$22,435	\$21,352	\$22,435
	3	\$162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168	3	\$287	\$119	\$287
	4	\$3,545	\$4,075	\$2,531	\$1,461	\$16	\$3	\$2	\$2	\$3	\$11	\$1,550	\$2,505	\$15,706	132	\$10,858	\$0	\$15,706
	5	\$1,850	\$1,747	\$1,874	\$1,600	\$73	\$72	\$51	\$91	\$97	\$96	\$1,754	\$1,763	\$11,066	42	\$3,481	\$0	\$11,066
	6	\$2,427	\$449	\$825	\$199	\$13	\$11	\$0	\$17	\$9	\$14	\$176	\$0	\$4,140	79	\$6,465	\$2,326	\$6,465
	7	\$2,858	\$4,452	\$3,355	\$159	\$144	\$138	\$156	\$138	\$156	\$149	\$3,483	\$3,526	\$23,510	107	\$8,791	\$0	\$23,510
	8	\$54,232	\$54,925	\$45,710	\$49,951	\$1,417	\$720	\$684	\$579	\$696	\$738	\$29,350	\$40,263	\$279,471	1,777	\$146,332	\$0	\$279,471
	9	\$15,261	\$12,770	\$13,702	\$10,555	\$156	\$143	\$112	\$209	\$114	\$180	\$8,551	\$11,100	\$72,806	494	\$40,657	\$0	\$72,806
	10	\$2,070	\$2,212	\$1,868	\$1,396	\$74	\$83	\$22	\$74	\$70	\$81	\$1,551	\$1,606	\$11,778	48	\$3,939	\$0	\$11,778
	11	\$4,428	\$4,429	\$4,861	\$4,574	\$215	\$230	\$203	\$229	\$228	\$223	\$5,141	\$5,333	\$30,093	115	\$9,472	\$0	\$30,093
	12	\$1,347	\$4,486	\$2,881	\$1,382	\$3	\$2	\$2	\$2	\$2	\$3	\$51	\$48	\$11,609	145	\$11,951	\$342	\$11,951
	13	\$31,149	\$31,765	\$28,801	\$27,424	\$770	\$653	\$459	\$454	\$484	\$709	\$20,771	\$28,390	\$173,828	1,072	\$88,315	\$0	\$173,828
	14	\$1,119	\$738	\$411	\$312	\$41	\$94	\$52	\$100	\$73	\$103	\$2,128	\$1,545	\$6,722	46	\$3,780	\$0	\$6,722
	15	\$11,361	\$9,210	\$9,185	\$7,424	\$311	\$120	\$319	\$111	\$125	\$145	\$8,466	\$8,776	\$56,352	245	\$20,179	\$0	\$56,352
	16	\$482	\$518	\$1,783	\$19	\$5	\$0	\$94	\$0	\$0	\$0	\$0	\$15	\$1,317	41	\$3,380	\$63	\$3,380
	17	\$0	\$0	\$0	\$11	\$0	\$0	\$144	\$0	\$0	\$3	\$783	\$1,361	\$13,109	226	\$18,631	\$18,186	\$18,631
	18	\$3,042	\$2,403	\$2,745	\$2,422	\$182	\$28	\$13	\$0	\$7	\$3	\$70	\$1,785	\$80,432	312	\$25,706	\$0	\$80,432
	19	\$14,473	\$12,578	\$12,440	\$11,717	\$592	\$941	\$513	\$584	\$518	\$570	\$12,650	\$13,785	\$80,432	66	\$5,403	\$0	\$13,109
	20	\$177	\$922	\$182	\$172	\$29	\$4	\$3	\$4	\$3	\$4	\$0	\$135	\$1,891	20	\$1,656	\$0	\$1,891
	21	\$9,976	\$9,714	\$8,325	\$6,432	\$198	\$214	\$155	\$164	\$152	\$207	\$6,270	\$7,707	\$49,525	323	\$26,579	\$0	\$49,525
	22	\$11,845	\$11,453	\$12,513	\$13,093	\$602	\$556	\$558	\$601	\$638	\$663	\$13,673	\$13,377	\$78,793	235	\$24,285	\$0	\$78,793
	23	\$8,841	\$7,695	\$7,854	\$7,211	\$372	\$375	\$366	\$346	\$234	\$251	\$4,672	\$6,753	\$44,970	284	\$23,555	\$0	\$44,970
	24	\$2,431	\$1,159	\$3,067	\$1,732	\$27	\$11	\$6	\$7	\$9	\$14	\$1,101	\$0	\$9,542	66	\$5,448	\$0	\$9,542
	25	\$232	\$453	\$81	\$96	\$18	\$3	\$2	\$1	\$3	\$1	\$144	\$297	\$1,310	15	\$1,206	\$0	\$1,310
	26	\$4,149	\$4,155	\$3,144	\$3,354	\$109	\$72	\$61	\$50	\$56	\$64	\$1,941	\$2,885	\$20,041	90	\$7,379	\$0	\$20,041
	27	\$4,220	\$1,624	\$3,684	\$3,214	\$136	\$126	\$124	\$132	\$130	\$142	\$3,441	\$3,339	\$22,311	91	\$7,484	\$0	\$22,311
														\$1,033,715		\$540,521	\$45,593	\$1,079,309

Lawrence:

1	\$135,321	\$125,972	\$130,692	\$116,223	\$6,407	\$6,400	\$6,529	\$6,454	\$6,038	\$5,445	\$119,977	\$126,048	\$791,786	2,918	\$240,351	\$0	\$791,786
2	\$19,606	\$4,013	\$87	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	\$4,175	\$2,802	\$2,137	\$1,295	\$8	\$3	\$2	\$2	\$2	\$1	\$158	\$2,039	\$2,102	\$8,215	135	\$11,132	\$0
5	\$1,263	\$960	\$952	\$696	\$24	\$11	\$8	\$10	\$10	\$5	\$740	\$22,059	\$30,260	\$99,896	979	\$80,620	\$0
6	\$19	\$0	\$26,618	\$19,591	\$524	\$0	\$0	\$0	\$0	\$0	\$10	\$1,811	\$1,045	\$5,253	67	\$5,479	\$226
7	\$150	\$2	\$69	\$80	\$2	\$1	\$3	\$4	\$4	\$16	\$109	\$3,152	\$4,653	\$29,787	259	\$31,396	\$0
8	\$8,016	\$6,375	\$4,829	\$2,044	\$38	\$114	\$141	\$160	\$116	\$116	\$109	\$3,152	\$4,653	\$29,787	259	\$31,396	\$0
9	\$7,947	\$6,524	\$5,813	\$4,234	\$159	\$129	\$112	\$95	\$96	\$96	\$135	\$3,419	\$4,645	\$31,314	171	\$34,114	\$0
10	\$8,359	\$6,470	\$5,855	\$4,281	\$160	\$125	\$121	\$113	\$119	\$119	\$131	\$4,835	\$6,370	\$37,003	180	\$34,867	\$0
11	\$3,640	\$2,733	\$2,329	\$1,348	\$42	\$17	\$6	\$4	\$4	\$8	\$60	\$1,463	\$14,423	\$18	\$9,697	\$0	\$14,423
12	\$468	\$199	\$2,515	\$2,216	\$21	\$55	\$56	\$56	\$56	\$56	\$42	\$444	\$305	\$6,738	92	\$7,555	\$807
														\$1,077,079		\$467,742	\$17,879

* Will be Special Contract once installation of upstream facilities.
1/ Use prior to Dec. 2004 under Interruptible Sales service.

Bay State Gas Company
Distribution Revenues of Dual Fuel Customers (Identified)
2004 - With & Without Proposed Minimum Revenue Requirement

Division	Customer	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	Estimated Peak Day	Min. Rev @ Unit MC \$22.35	Win v 2004) Additional Dist. Revs	RR-AG-57 Calc Dist DE Revs
Distribution Revenue - 2004 vs. Minimum @ Proposed MC-based Dual Fuel Tariff																		
Springfield:																		
1	85,859	\$7,103	\$7,461	\$7,175	\$7,175	\$252	\$241	\$219	\$241	\$242	\$277	\$6,693	\$4,031	\$43,994	173	\$14,264	\$0	\$41,994
2	\$123	\$734	\$374	\$205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,627	16	\$1,303	\$0	\$1,627
3	\$39,586	\$38,140	\$42,502	\$40,143	\$1,882	\$1,822	\$1,822	\$1,372	\$1,932	\$1,670	\$1,460	\$1,561	\$32,222	\$233,993	917	\$75,490	\$0	\$233,993
4	\$0	\$0	\$0	\$0	\$196	\$112	\$107	\$107	\$103	\$161	\$915	\$9,557	\$4,878	\$16,216	309	\$25,463	\$9,247	\$25,463
5	\$0	\$0	\$0	\$0	\$461	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,767	535	\$7,046	\$0	\$4,767
6	\$1,967	\$2,956	\$1,846	\$1,136	\$17	\$25	\$26	\$14	\$103	\$31	\$133	\$1,388	\$2,760	\$13,900	86	\$7,046	\$0	\$13,900
7	\$0	\$0	\$0	\$0	\$69	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$806	52	\$4,284	\$0	\$806
8	\$10,054	\$8,136	\$11,140	\$9,134	\$404	\$414	\$208	\$256	\$356	\$350	\$442	\$9,639	\$9,728	\$60,406	240	\$19,786	\$0	\$60,406
9	\$5,187	\$7,259	\$4,457	\$3,527	\$58	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,013	157	\$12,893	\$0	\$22,013
10	\$0	\$0	\$0	\$0	\$2,036	\$6,185	\$631	\$719	\$303	\$12	\$5	\$1,954	\$1,430	\$12,681	857	\$70,544	\$55,864	\$70,544
11	\$771	\$0	\$268	\$2,789	\$275	\$444	\$244	\$244	\$204	\$304	\$373	\$5,157	\$5,440	\$17,346	194	\$16,016	\$0	\$17,346
12	\$5,205	\$6,444	\$3,593	\$5,502	\$499	\$468	\$460	\$460	\$533	\$344	\$187	\$1,200	\$8,729	\$37,563	233	\$19,217	\$0	\$37,563
13	\$0	\$0	\$0	\$0	\$1,622	\$93	\$352	\$130	\$354	\$221	\$342	\$8,153	\$1,890	\$13,158	176	\$14,482	\$1,324	\$14,482
14	\$0	\$2	\$11	\$64	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,142	14	\$1,142	\$0	\$1,142
15	\$4,224	\$4,389	\$1,953	\$3,035	\$91	\$85	\$69	\$61	\$117	\$3,211	\$4,248	\$23,560	\$0	\$23,560	95	\$7,794	\$0	\$23,560
16	\$49	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,382	595	\$48,974	\$10,038	\$48,974
17	\$2,282	\$2,243	\$2,228	\$1,909	\$56	\$48	\$40	\$70	\$66	\$1,672	\$1,895	\$12,540	\$74	\$6,081	74	\$6,081	\$0	\$12,540
18	\$10	\$10	\$432	\$545	\$944	\$44	\$30	\$14	\$48	\$39	\$12	\$1,778	\$1,221	\$7,175	69	\$5,721	\$0	\$7,175
19	\$2,071	\$1,270	\$774	\$83	\$2	\$1	\$1	\$1	\$0	\$1	\$1	\$133	\$185	\$4,701	67	\$5,518	\$817	\$5,518
20	\$684	\$959	\$676	\$1,403	\$28	\$257	\$104	\$125	\$119	\$77	\$2,044	\$3,303	\$9,378	107	\$8,739	\$0	\$9,378	
21	\$186	\$60	\$200	\$707	\$6	\$0	\$0	\$0	\$0	\$0	\$158	\$5,733	\$7,035	\$14,176	152	\$12,496	\$0	\$14,176
22	\$262	\$128	\$96	\$170	\$9	\$20	\$34	\$0	\$31	\$572	\$341	\$1,683	\$0	\$1,683	35	\$1,237	\$0	\$1,683
23	\$13,777	\$13,927	\$6,366	\$9,414	\$286	\$204	\$184	\$181	\$182	\$191	\$396	\$10,562	\$11,774	\$67,308	451	\$37,106	\$0	\$67,308
24	\$1,838	\$1,937	\$2,254	\$2,537	\$111	\$103	\$110	\$110	\$110	\$115	\$108	\$2,204	\$2,461	\$13,888	53	\$4,371	\$0	\$13,888
25	\$0	\$2	\$2	\$245	\$19	\$19	\$22	\$10	\$7	\$9	\$12	\$877	\$943	\$2,187	31	\$2,513	\$366	\$2,513
26	\$6,654	\$6,539	\$3,831	\$2,659	\$0	\$0	\$24	\$0	\$0	\$0	\$61	\$2,219	\$4,856	\$25,824	215	\$17,729	\$0	\$25,824
27	\$482	\$308	\$260	\$313	\$72	\$79	\$75	\$75	\$75	\$69	\$85	\$1,906	\$2,495	\$6,221	81	\$6,647	\$426	\$6,647
28	\$12,487	\$10,891	\$11,147	\$11,387	\$5,361	\$586	\$478	\$643	\$643	\$652	\$674	\$12,151	\$11,937	\$79,036	295	\$24,313	\$0	\$79,036
29	\$5,343	\$5,233	\$4,456	\$3,304	\$42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,379	173	\$14,236	\$0	\$18,379
30	\$9,372	\$7,402	\$6,267	\$3,586	\$76	\$73	\$76	\$76	\$75	\$77	\$177	\$5,084	\$6,584	\$38,849	303	\$24,970	\$0	\$38,849
31	\$5,831	\$5,563	\$4,653	\$3,424	\$50	\$50	\$50	\$50	\$54	\$54	\$103	\$1,857	\$4,541	\$28,371	191	\$15,696	\$0	\$28,371
32	\$3,522	\$3,642	\$3,584	\$1,898	\$79	\$156	\$188	\$265	\$286	\$236	\$400	\$11,634	\$16,200	\$18,208	79	\$6,468	\$0	\$18,208
33	\$22,457	\$16,717	\$16,759	\$8,031	\$92	\$207	\$265	\$265	\$286	\$236	\$400	\$11,634	\$16,200	\$18,208	79	\$6,468	\$0	\$18,208
34	\$5,016	\$4,382	\$4,711	\$4,135	\$176	\$193	\$176	\$176	\$183	\$186	\$179	\$1,859	\$4,603	\$27,800	108	\$8,909	\$0	\$27,800
35	\$2,775	\$2,438	\$1,943	\$1,537	\$23	\$18	\$13	\$22	\$24	\$24	\$24	\$1,103	\$1,487	\$11,403	90	\$7,332	\$0	\$11,403
36	\$457	\$618	\$438	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,548	20	\$1,648	\$100	\$1,648
37	\$37,268	\$28,989	\$35,224	\$14,806	\$0	\$0	\$0	\$2,885	\$4,596	\$2,358	\$3,858	\$27,462	\$56,434	\$213,578	2,056	\$159,365	\$0	\$213,578
38	\$45,874	\$36,825	\$32,358	\$26,126	\$1,138	\$1,103	\$752	\$1,081	\$1,120	\$1,134	\$30,222	\$36,355	\$214,268	\$81,479	989	\$81,479	\$0	\$214,268
39	\$67	\$200	\$131	\$294	\$6	\$7	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$2,116	38	\$3,116	\$218	\$3,116
40	\$5,613	\$4,177	\$2,581	\$1,098	\$1	\$0	\$0	\$0	\$0	\$0	\$11	\$1,947	\$3,797	\$19,444	182	\$14,953	\$0	\$19,444
41	\$4,082	\$5,020	\$4,128	\$6,557	\$546	\$260	\$32	\$87	\$87	\$391	\$170	\$1,119	\$3,928	\$30,281	239	\$19,692	\$0	\$30,281
42	\$52,970	\$36,411	\$29,620	\$19,609	\$361	\$127	\$159	\$159	\$146	\$174	\$730	\$25,932	\$40,550	\$236,809	1,714	\$141,137	\$0	\$236,809
Total																\$1,692,134	\$140,368	\$1,832,502
Grand Total - Bay State																\$2,092,506	\$203,841	\$2,296,347

1/ Use prior to Dec. 2004 under Interruptible Sales service.

Customer	Annual Use and Distribution Revenues of Dual Fuel Customers (Identified)												Attachment BR-AG-5 Brockton - No. Detail Page 3	
	BROCKTON DIV.1													
	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04		
1	2,941	0	0	1,696	2,104	2,451	3,124	2,690	2,285	2,810	850	0		
2	0	0	0	0	1,801	8,172	3,682	0	281	287	0	0		
3	105	0	0	0	0	0	80	0	0	0	0	0		
4	2,294	2,637	1,637	946	216	43	28	33	40	141	1,003	1,621		
5	1,197	1,130	1,212	1,035	958	948	671	1,195	1,268	1,258	1,135	1,141		
6	1,570	291	513	129	172	142	0	220	125	184	116	0		
7	1,849	3,202	2,880	2,170	2,093	1,896	1,818	1,816	2,077	1,963	2,253	2,281		
8	35,087	35,535	29,573	32,317	18,611	9,456	8,990	7,686	9,144	9,697	19,118	26,053		
9	9,873	8,262	8,865	6,829	2,577	1,881	1,475	1,432	1,435	2,428	5,533	7,186		
10	1,340	1,431	1,208	1,292	975	1,085	681	977	920	1,068	1,010	1,019		
11	2,865	2,866	3,145	2,959	2,826	3,017	2,662	3,011	2,999	2,912	3,326	3,450		
12	2,165	2,902	1,476	894	37	29	26	21	29	38	33	31		
13	21,446	20,552	18,633	17,743	9,463	8,682	6,550	5,970	6,360	9,315	11,438	18,367		
14	724	478	266	202	540	1,292	686	1,312	958	1,352	1,377	1,000		
15	7,350	5,958	5,943	4,803	4,085	4,205	4,186	4,081	4,267	4,530	5,478	5,678		
16	573	335	1,154	12	69	0	1,213	0	1	6	0	9		
17	0	0	0	7	0	0	4,524	0	406	0	0	39		
18	1,968	1,955	1,776	1,696	1,319	366	167	0	89	46	507	881		
19	9,163	8,138	8,540	7,257	7,772	7,102	6,736	7,679	6,811	7,494	8,165	8,918		
20	89	402	247	241	384	48	34	22	34	47	0	217		
21	6,454	6,285	5,866	4,161	2,606	2,806	2,171	2,159	1,998	2,725	4,057	4,986		
22	7,663	7,410	8,596	8,471	7,915	7,306	7,326	7,901	8,386	8,705	8,846	8,150		
23	5,720	4,979	5,681	4,666	4,883	4,937	4,812	4,544	3,072	3,298	3,023	4,369		
24	1,573	760	1,984	1,120	355	339	75	1120	114	178	713	0		
25	150	293	53	62	230	36	26	15	37	14	93	192		
26	2,684	2,688	2,034	2,170	1,429	943	808	658	735	844	1,256	1,867		
27	2,730	2,345	2,383	2,080	1,789	1,650	1,625	1,728	1,715	1,870	2,226	2,160		
Average Distribution Rates:														
Customer	\$1,5457	\$1,5457	\$1,5457	\$1,5457	\$0,0761	\$0,0761	\$0,0761	\$0,0761	\$0,0761	\$0,0761	\$1,5457	\$1,5457		
1	\$4,546	0	0	92,621	9160	9187	9238	9205	9174	9215	91,114	90		
2	0	0	0	0	9137	9622	9280	90	921	922	90	90		
3	\$162	90	90	90	90	90	96	90	90	90	90	90		
4	\$3,545	94,075	92,531	91,461	916	93	92	92	93	911	91,550	92,505		
5	\$1,850	91,747	91,674	91,400	973	972	951	951	977	996	91,754	91,763		
6	\$2,427	9449	9825	9199	913	911	90	917	99	914	9176	90		
7	\$2,958	94,950	94,452	93,355	9159	9146	9138	9138	9158	9149	93,483	93,526		
8	\$54,232	94,925	94,710	94,951	91,417	9720	9684	9579	9596	9738	93,950	940,269		
9	\$15,261	912,770	911,702	910,555	9196	9143	9112	9109	9114	9185	98,551	911,108		
10	\$2,070	92,212	91,868	91,996	974	983	952	974	970	981	91,591	91,606		
11	\$4,428	94,429	94,661	94,574	9215	9210	9203	9229	9228	9223	95,143	95,333		
12	\$3,347	94,486	92,281	91,382	93	92	92	92	92	93	951	948		
13	\$33,149	93,766	928,601	927,424	9720	9661	9499	9454	9484	9709	920,771	928,350		
14	\$1,119	9218	9413	9112	9118	958	952	9100	973	9103	92,128	91,545		
15	\$11,361	99,210	99,185	97,424	9311	9320	9319	9311	9325	9345	98,466	98,776		
16	\$882	9518	91,783	919	95	94	90	94	90	90	90	915		
17	0	90	90	90	90	90	90	90	90	90	90	90		
18	\$3,942	92,403	92,445	92,622	9162	9162	913	90	911	90	90	90		
19	\$14,473	912,579	912,440	911,217	9592	9541	9513	9584	9518	9570	912,620	913,785		
20	\$373	9622	9382	9372	929	94	93	92	93	94	90	9335		
21	\$9,376	99,714	98,325	96,432	9188	9214	9165	9164	9152	9207	96,270	97,707		
22	\$11,645	911,453	912,513	913,093	9602	9556	9558	9601	9638	9663	913,673	912,597		
23	\$8,841	97,695	97,854	97,211	9372	9375	9366	9366	9346	9251	94,672	96,753		
24	\$2,431	91,159	91,057	91,732	927	911	96	97	99	914	91,101	90		
25	\$232	9493	981	996	918	943	92	91	91	91	9144	9297		
26	\$4,149	94,155	93,144	93,354	9109	972	961	950	956	964	91,941	92,885		
27	\$4,220	93,694	93,684	93,214	9136	9126	9124	9132	9130	9142	91,441	93,135		

Bay State Gas Company												Attachment RR-AG-57
Annual Use and Distribution Revenues of Dual Fuel Customers (Identified)												Lawrence - Mo. Detail
												Page 4
Customer	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
1	87,549	81,500	84,554	75,193	84,172	84,086	85,786	84,796	80,119	74,160	77,635	81,549
2	12,684	2,596	56	0	0	0	0	0	2	1,350	2,848	5,986
3	0	0	0	28	27	7	0	0	438	0	0	5
4	2,701	1,813	1,512	838	108	37	30	30	46	656	0	1,577
5	817	621	448	451	319	140	105	128	675	2,082	1,319	1,489
6	13	0	17,234	12,675	6,880	0	0	0	322	9,726	14,297	19,578
7	97	1	45	52	27	19	37	58	205	393	1,172	1,996
8	5,186	4,125	3,124	1,322	493	1,494	1,851	2,107	1,529	1,426	2,065	3,010
9	5,141	4,221	3,774	2,733	2,090	1,701	1,475	1,188	1,256	1,777	2,212	3,005
10	5,408	4,186	3,790	2,769	2,103	1,644	1,593	1,481	1,569	2,508	3,128	4,122
11	2,355	1,768	1,507	872	554	229	73	52	104	795	947	1,794
12	303	129	1,627	1,434	304	720	729	2,705	2,748	553	287	198
Average Distribution Rates:												
	\$1.5457	\$1.5457	\$1.5457	\$1.5457	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$1.5457	\$1.5457
Customer #												
1	\$135,321	\$125,972	\$130,692	\$116,223	\$6,407	\$6,400	\$6,529	\$6,454	\$6,098	\$5,645	\$119,997	\$126,048
2	\$19,606	\$4,013	\$87	\$0	\$0	\$0	\$0	\$0	\$0	\$103	\$4,401	\$9,252
3	\$0	\$0	\$0	\$43	\$2	\$1	\$0	\$0	\$33	\$0	\$0	\$8
4	\$4,175	\$2,802	\$2,337	\$1,295	\$8	\$3	\$2	\$2	\$3	\$50	\$0	\$2,438
5	\$1,263	\$960	\$692	\$696	\$24	\$11	\$8	\$10	\$51	\$158	\$2,039	\$2,302
6	\$19	\$0	\$26,638	\$19,591	\$524	\$0	\$0	\$0	\$25	\$740	\$22,099	\$30,260
7	\$150	\$2	\$69	\$80	\$2	\$1	\$3	\$4	\$16	\$30	\$1,811	\$3,085
8	\$8,016	\$6,375	\$4,829	\$2,044	\$38	\$114	\$141	\$160	\$116	\$109	\$3,192	\$4,653
9	\$7,947	\$6,524	\$5,833	\$4,224	\$159	\$129	\$112	\$90	\$96	\$135	\$3,419	\$4,645
10	\$8,359	\$6,470	\$5,859	\$4,281	\$160	\$125	\$121	\$113	\$119	\$191	\$4,835	\$6,370
11	\$3,640	\$2,733	\$2,329	\$1,348	\$42	\$17	\$6	\$4	\$8	\$60	\$1,463	\$2,773
12	\$468	\$199	\$2,515	\$2,216	\$23	\$55	\$56	\$206	\$209	\$42	\$444	\$306

Bay State Gas Company									Attachment RR-AG-57			
Annual Use and Distribution Revenues of Dual Fuel Customers (Identified)									Springfield - Mo. Detail			
									Page 5			
Customer	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
1	3,791	4,725	4,827	4,642	3,309	3,160	2,878	3,171	3,185	3,633	4,330	5,196
2	80	475	242	133	0	0	0	0	0	0	0	124
3	25,611	24,805	27,498	26,101	24,725	23,944	18,020	13,565	21,947	21,809	20,419	20,847
4	0	0	0	569	2,575	1,468	1,404	1,358	1,852	3,188	6,183	3,156
5	0	0	0	0	6,057	0	0	0	797	10,707	2,232	0
6	2,567	1,660	1,195	735	225	191	521	1,324	403	436	898	1,786
7	0	0	0	45	356	336	181	188	319	561	1,040	521
8	6,505	5,393	7,207	6,039	5,308	5,445	2,736	4,681	4,594	5,811	6,236	6,293
9	3,356	4,696	2,883	2,282	768	60	5	3	0	40	981	0
10	0	0	1,317	4,131	8,292	9,447	3,987	155	61	25,696	925	779
11	499	0	174	1,804	3,607	5,834	4,257	2,686	3,960	4,895	3,336	4,167
12	3,367	5,463	2,325	3,819	6,551	6,153	6,044	7,000	4,515	2,453	2,071	5,647
13	0	0	0	1,050	1,221	4,625	1,709	4,654	2,901	4,490	5,275	1,223
14	0	1	7	42	277	0	1	5	2	8	20	0
15	2,733	2,840	2,558	1,964	1,193	1,111	904	745	1,061	1,534	2,078	2,749
16	32	2	0	0	0	0	0	0	0	0	324	11,893
17	1,477	1,451	1,442	1,235	735	630	523	522	918	873	1,082	1,220
18	6	279	353	636	577	388	179	629	514	421	1,150	2,084
19	1,340	822	501	52	28	14	12	1	8	19	203	120
20	443	491	437	907	372	754	1,366	1,636	1,568	1,011	1,323	2,137
21	120	39	188	458	76	1	1	2	1	2,072	3,709	4,552
22	169	83	63	110	118	265	447	402	109	142	370	221
23	8,926	9,011	4,119	6,091	3,763	2,674	2,423	2,377	2,508	5,209	6,846	7,618
24	1,189	1,253	1,458	1,641	1,458	1,348	1,444	1,450	1,513	1,425	1,426	1,592
25	0	1	1	158	248	288	125	98	122	161	567	610
26	4,305	3,584	2,466	1,720	0	0	315	0	5	806	1,436	3,142
27	312	200	169	203	948	1,035	984	987	912	1,123	1,233	1,614
28	8,079	7,046	7,238	7,367	78,322	7,694	6,285	8,448	8,568	8,855	7,861	7,723
29	3,457	3,385	2,857	2,138	1,072	2	0	0	0	0	1	0
30	6,064	4,789	4,054	2,320	1,003	953	995	990	1,016	2,322	3,289	4,260
31	3,812	3,599	3,017	2,215	788	653	510	476	575	1,354	2,495	3,003
32	2,279	2,356	2,319	1,228	1,296	2,045	1,555	1,174	580	2,038	1,308	1,863
33	14,529	10,815	9,548	5,196	1,203	2,723	3,487	3,763	3,097	5,252	7,527	10,481
34	3,245	2,835	3,048	2,675	2,310	2,535	2,334	2,398	2,439	2,353	2,497	2,978
35	1,795	1,577	1,257	995	299	234	172	276	288	321	714	962
36	296	400	283	6	1	2	164	1	0	0	4	4
37	24,111	18,496	22,789	9,579	0	0	37,902	61,692	30,976	50,681	17,767	36,511
38	29,679	23,825	20,935	16,903	14,951	14,487	9,874	14,201	14,720	17,267	19,553	23,521
39	237	129	85	190	84	89	85	71	80	76	75	1,135
40	3,631	2,832	1,670	711	11	0	0	0	0	401	1,260	2,457
41	2,641	3,248	2,671	5,601	7,173	3,421	1,207	1,146	2,510	2,235	2,018	2,541
42	34,283	23,557	19,163	12,686	4,737	1,672	2,094	1,923	2,289	9,586	16,777	26,235

Attachment RR-AG-57 Springfield - Mo. Detail Page 6												
	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Average Distribution Rates:												
	\$1.5457	\$1.5457	\$1.5457	\$1.5457	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$0.0761	\$1.5457	\$1.5457
Distribution Revenues												
Customer												
1	\$5,859	\$7,303	\$7,461	\$7,175	\$252	\$241	\$219	\$241	\$242	\$277	\$6,693	\$8,031
2	\$123	\$734	\$374	\$205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$191
3	\$39,586	\$38,340	\$42,502	\$40,343	\$1,882	\$1,822	\$1,372	\$1,032	\$1,670	\$1,660	\$31,561	\$32,222
4	\$0	\$0	\$0	\$879	\$196	\$112	\$107	\$103	\$141	\$243	\$9,557	\$4,878
5	\$0	\$0	\$0	\$0	\$461	\$0	\$0	\$0	\$61	\$815	\$3,450	\$0
6	\$3,967	\$2,566	\$1,846	\$1,136	\$17	\$15	\$40	\$101	\$31	\$33	\$1,388	\$2,760
7	\$0	\$0	\$0	\$69	\$27	\$26	\$14	\$14	\$24	\$43	\$1,608	\$806
8	\$10,054	\$8,336	\$11,140	\$9,334	\$404	\$414	\$208	\$356	\$350	\$442	\$9,639	\$9,728
9	\$5,187	\$7,259	\$4,457	\$3,527	\$58	\$5	\$0	\$0	\$0	\$3	\$1,517	\$0
10	\$0	\$0	\$2,036	\$6,385	\$631	\$719	\$303	\$12	\$5	\$1,956	\$1,430	\$1,204
11	\$771	\$0	\$268	\$2,789	\$275	\$444	\$324	\$204	\$301	\$373	\$5,157	\$6,440
12	\$5,205	\$8,444	\$3,593	\$5,902	\$499	\$468	\$460	\$533	\$344	\$187	\$3,200	\$8,729
13	\$0	\$0	\$0	\$1,622	\$93	\$352	\$130	\$354	\$221	\$342	\$8,153	\$1,890
14	\$0	\$2	\$11	\$64	\$21	\$0	\$0	\$0	\$0	\$1	\$331	\$0
15	\$4,224	\$4,389	\$3,953	\$3,035	\$91	\$85	\$69	\$57	\$81	\$117	\$3,211	\$4,248
16	\$49	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501	\$18,382
17	\$2,282	\$2,243	\$2,228	\$1,909	\$56	\$48	\$40	\$40	\$70	\$66	\$1,672	\$1,885
18	\$10	\$432	\$545	\$984	\$44	\$30	\$14	\$48	\$39	\$32	\$1,778	\$3,221
19	\$2,071	\$1,270	\$774	\$81	\$2	\$1	\$1	\$0	\$1	\$1	\$313	\$185
20	\$684	\$759	\$676	\$1,401	\$28	\$57	\$104	\$125	\$119	\$77	\$2,044	\$3,303
21	\$186	\$60	\$290	\$707	\$6	\$0	\$0	\$0	\$0	\$158	\$5,733	\$7,035
22	\$262	\$128	\$98	\$170	\$9	\$20	\$34	\$31	\$8	\$11	\$572	\$341
23	\$13,797	\$13,927	\$6,366	\$9,414	\$286	\$204	\$184	\$181	\$191	\$396	\$10,582	\$11,774
24	\$1,838	\$1,937	\$2,254	\$2,537	\$111	\$103	\$110	\$110	\$115	\$108	\$2,204	\$2,461
25	\$0	\$2	\$2	\$245	\$19	\$22	\$10	\$7	\$9	\$12	\$877	\$943
26	\$6,654	\$5,539	\$3,811	\$2,659	\$0	\$0	\$24	\$0	\$0	\$61	\$2,219	\$4,856
27	\$482	\$308	\$260	\$313	\$72	\$79	\$75	\$75	\$69	\$85	\$1,906	\$2,495
28	\$12,487	\$10,891	\$11,187	\$11,387	\$5,961	\$586	\$478	\$643	\$652	\$674	\$12,151	\$11,937
29	\$5,343	\$5,233	\$4,416	\$3,304	\$82	\$0	\$0	\$0	\$0	\$0	\$2	\$0
30	\$9,372	\$7,402	\$6,267	\$3,586	\$76	\$73	\$76	\$75	\$77	\$177	\$5,084	\$6,584
31	\$5,891	\$5,563	\$4,663	\$3,424	\$60	\$50	\$39	\$36	\$44	\$103	\$3,857	\$4,641
32	\$3,522	\$3,642	\$3,584	\$1,898	\$99	\$156	\$118	\$89	\$44	\$155	\$2,021	\$2,880
33	\$22,457	\$16,717	\$14,759	\$8,031	\$92	\$207	\$265	\$286	\$236	\$400	\$11,634	\$16,200
34	\$5,016	\$4,382	\$4,711	\$4,135	\$176	\$193	\$178	\$183	\$186	\$179	\$3,859	\$4,603
35	\$2,775	\$2,438	\$1,943	\$1,537	\$23	\$18	\$13	\$21	\$22	\$24	\$1,103	\$1,487
36	\$457	\$618	\$438	\$9	\$0	\$0	\$12	\$0	\$0	\$0	\$6	\$6
37	\$37,268	\$28,589	\$35,224	\$14,806	\$0	\$0	\$2,885	\$4,696	\$2,358	\$3,858	\$27,462	\$56,434
38	\$45,874	\$36,825	\$32,358	\$26,126	\$1,138	\$1,103	\$752	\$1,081	\$1,120	\$1,314	\$30,222	\$36,355
39	\$367	\$200	\$131	\$294	\$6	\$7	\$6	\$5	\$6	\$6	\$116	\$1,754
40	\$5,613	\$4,377	\$2,581	\$1,098	\$1	\$0	\$0	\$0	\$0	\$31	\$1,947	\$3,797
41	\$4,082	\$5,020	\$4,128	\$8,657	\$546	\$260	\$92	\$87	\$191	\$170	\$3,119	\$3,928
42	\$52,990	\$36,411	\$29,620	\$19,609	\$361	\$127	\$159	\$146	\$174	\$730	\$25,932	\$40,550

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Stephen H. Bryant, President

RR-AG-61: On the first line of Attachment MOC-04-02 – Revenue – break down each category of revenue by customer class, i.e. residential, small business and large business, if not available by rate class.

Response: Guardian Care is the only product that is available to business customers. Of the approximately \$7.7 million in revenue in 2004 from HVAC Utility (Guardian Care, fee-for-service, and annual inspections), only \$11,700 in revenue came from small businesses with Guardian Care, with the remainder from residential customers.

Of the more than 11,000 leased conversion burners in service, only 16 are commercial customers.

Other than Guardian Care for small businesses, products offered by Energy Products and Services are designed and marketed to residential customers.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-AG-62: Provide the total firm gas revenues from 1999 through 2004, and the total CGA revenues from 1999 through 2004.

Response: The total firm gas (sales and transportation) revenue and CGA revenues for the past six years of 1999 through 2004 are as follows:

	<u>Firm Revenue</u>	<u>GAF Revenue</u>
2004	469,730,362	324,435,842
2003	443,475,931	294,004,049
2002	310,343,084	174,650,400
2001	403,877,869	266,213,828
2000	338,112,514	184,337,383
1999	285,329,847	141,306,983

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

RR-AG-66: Please explain what is meant by the "I" term in the Company's proposed CGA tariff on page 34 of 35 of Schedule JAF-3-1.

Response: As indicted at the hearing on July 22, 2005, the "I" term on page 34 of 35 of Schedule JAF-3-1, in the Bad Debt Factor (BDF) formula was misplaced, and should be deleted from the formula. The Company will make this revision by no later than when it makes its compliance filing.

Generally, the "I" term represents the interest or carrying charge amount for any under or over collection balances, and is calculated by applying the applicable prime interest rate (annual rate times # of days in month divided by 365 days) to the average monthly balance of any under or over collection deferred cost or supplier/pipeline refund balances.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro

RR-AG-67: Please submit a revised proposed CGA tariff that incorporates the Boston Gas CGA bad-debt methodology, as approved by the Department in that company's most recent base-rate proceeding.

Response: The Company's proposed CGAC tariff includes the same definition (uncollectable expense attributable to the Company's gas costs), as well as similar language for allowable costs per the formulas and the same formulas for forecasting Bad Debt (BD) expense in the GAF calculations as is included in the Boston Gas or KeySpan Energy Delivery CGAC tariff. The forecast methodology is to apply a test year percentage (either actual net write-offs to total firm gas revenues or test year gas cost bad debt expense to total test year gas costs) to forecast gas costs.

The difference in methodologies is in how BD expense is reconciled. The reconciliation section of the Boston Gas tariff refers to reconciling to bad debt allowed per the formula, while the Bay State proposed tariff specifies that BD expense is reconciled to a portion of actual net write-offs associated with gas costs. Thus, the only revision to the Company's proposed CGAC tariff that would be needed to incorporate the Boston Gas bad-debt methodology is in the Bad Debt Reconciliation adjustment section on page 21 of 21 of M.D.T.E. No. 36. Please see Attachment RR-AG-67 for a copy of the red-lined strikeout page to incorporate this change. The change attempts to be more explicit as to the Company's understanding as to the "actual" costs to which Boston Gas reconciles. It does not appear that this specificity is included in the Boston Gas tariff.

COST OF GAS ADJUSTMENT CLAUSEBay State Gas Company
D.T.E. 05-27
Attachment RR-AG-67
Page 1 of 1**15.03 Bad Debt Reconciliation Adjustment**

Account 175.31 shall contain the accumulated difference between the annual revenues toward bad debt, as calculated by multiplying the bad debt factors (BDF) times monthly firm sales volumes, and the annual allowed Bad Debt expenses, allowed working capital on Bad Debt and Carrying Charges as defined in Section 5.00.

An annual bad debt reconciliation adjustment (RAbd - as defined in Section 15.02) shall be determined for use in the bad debt factor calculations incorporating the bad debt working capital account (175.32) balance as of the reconciliation date designated by the Company.

(a) Costs Allowable per Bad Debt Formula shall be:

- i. Un-collectable gas costs incurred by the Company to serve firm sales load, as determined by deriving the portion of bad debt expense associated with gas cost collections by applying the most recent calendar year percentage of gas cost collections to total firm gas revenues to the bad debt expense as determined in the Company's most recent rate proceeding.
- ii. Account 175.32 – Bad Debt, Carrying Charges.
- iii. Working Capital Gas Costs Allowable per Bad Debt Formula, which shall be charges associated with bad debt incurred by the Company to serve firm sales load and applied to the working capital formula.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-76: Provide a list of known dual-fuel customers to include the following:

- a) their annual consumption for the past three years
- b) in what process they are engaged, and
- c) the per-customer consumption under the proposed new tariff

Response: Please see Attachment RR-DTE-76.

- a) Provided in Attachment RR-DTE-76 presents the list of known dual fuel customers as of 2001 whose potential annual consumption was in excess of 10,000 MMBtu. The Company's Sales department chose 10,000 MMBtu as the threshold gas use because the number of customers resulting from this search was manageable. Field checks were not performed when the list was produced. Files were researched and phone calls made to confirm that dual fuel equipment existed. The list has not been updated since 2001, and it is quite certain many other dual fuel customers exist.
- b) Many of the customers on the dual fuel list have both dual fuel heating and process load on the same meter. Attachment RR-DTE-76 also lists the activity/process that generates the majority of the consumption.
- c) At this time it is not known how customers will react to the new rate. The Company's expectation is that customers who believe they can meet the net revenue requirement without making major changes to their energy purchasing and operational patterns will continue to consume natural gas as their past history shows. Others will switch their equipment to oil or propane use; however these customers most likely don't utilize gas as a major percentage of their energy portfolio.

Bay State Gas Company
Annual Use of Dual Fuel Customers (Identified)

2002 - 2004

Division	Customer	Process Type	Annual Use - MMBtu		
			2002	2003	2004
<u>Brockton:</u>					
	1	heat/school	30,254	23,844	20,971
	2	process	40,020	14,356	14,223
	3	process	21,248	846	18
	4	heat/school	9,789	10,668	10,637
	5	process	13,870	13,153	13,148
1/	6	heat/school	4,751	3,392	3,479
1/	7	process	23,666	25,621	26,299
1/	8	heat/prison	255,855	232,654	241,185
	9	heat/hospital	58,474	61,525	57,835
	10	process/cable	13,317	14,768	13,045
	11	process/linen	43,040	36,449	36,058
	12	heat/school	9,980	12,318	7,682
	13	heat/hospital	142,993	155,780	156,519
	14	process/food	19,072	16,823	10,186
	15	process/press	60,412	62,746	60,563
	16	process/wire	1,016	674	3,389
	17	heat	5,153	521	4,976
	18	process/dairy	8,848	13,096	10,387
	19	process	92,215	93,571	93,485
	20	heat/school	1,516	1,704	1,765
	21	heat/hospital	44,471	47,417	45,794
	22	process	82,444	87,886	96,173
	23	heat	63,750	60,072	53,372
	24	process	9,797	8,272	7,090
	25	heat/school	1,303	3,559	1,200
	26	process	20,696	21,519	18,115
	27	process/wire	19,853	24,756	24,299
	Total		1,097,802	1,047,989	1,032,059

Lawrence:

1/	*	1	process	673,442	764,287	981,097
		2	heat/mill	51,481	57,668	25,522
		3	heat/hospital	1,534	0	506
		4	heat/school	10,218	11,400	9,347
		5	heat/school	29,666	23,769	8,593
		6	heat/school	79,599	84,634	80,723
		7	process/clothing	17,900	19,080	4,101
		8	heat/school	27,210	24,047	27,733
		9	process	33,382	34,825	30,573
		10	process	48,602	37,643	34,300
		11	heat/school	10,795	11,135	11,048
		12	process	2,068	6,141	11,737
Total				985,896	1,074,629	1,225,281

* Will be Special Contract once installation of upstream facilities.
1/ Use prior to Dec. 2004 under Interruptible Sales service.

Bay State Gas Company
Annual Use of Dual Fuel Customers (Identified)

2002 - 2004

Division	Customer	Process Type	Annual Use - MMBtu		
			2002	2003	2004
Springfield:					
	1/ 1/ 1/	1 process/food	51,272	49,324	46,846
		2 process/sport goods	14,238	10,465	1,052
		3 process/sport goods	235,280	245,446	269,290
		4 heat/school	33,610	25,112	21,753
		5 heat/school	63,974	14,147	19,793
		6 process/sport goods	10,353	11,606	11,940
		7 heat/school	5,187	4,256	3,547
		8 process	65,553	60,128	66,248
		9 process	13,478	19,621	15,074
		10 process	60,107	64,706	54,790
		11 process/paving	15,385	28,518	35,219
		12 process/dairy	85,499	51,706	55,406
		13 process/paving	17,852	12,469	27,146
		14 heat	1,149	301	364
		15 process/firearms	13,617	19,753	21,468
		16 heat/hospital	1	112	12,251
		17 heat	10,417	11,785	12,107
		18 process	18,460	19,874	7,216
		19 heat/school	6,252	4,953	3,119
		20 heat/nursing home	12,223	8,681	12,444
		21 process/agriculture	12,152	1,096	11,218
		22 process/graphics	2,936	832	2,499
		23 heat/hospital	75,112	71,080	61,565
		24 process	14,672	14,092	17,197
		25 heat/school	2,692	1,984	2,382
		26 heat/church	16,976	21,182	17,778
		27 heat/hospital	8,747	12,918	9,719
		28 process/graphics	98,983	87,331	92,998
		29 heat/Ath Club	12,471	15,669	12,912
		30 heat/hospital	37,896	36,941	32,055
		31 heat	22,315	24,692	22,496
		32 process/graphics	14,303	16,955	20,041
		33 heat/scholl	74,357	81,727	77,620
		34 process	33,389	32,820	31,646
		35 heat/library	11,825	13,082	8,889
		36 heat/school	13,998	7,096	1,161
		37 process			310,504
		38 process/graphics	209,331	228,831	219,915
		39 process	2,409	1,606	2,335
		40 heat	13,738	14,812	12,972
		41 process	49,009	61,465	36,412
		42 heat/AFB	128,753	160,419	155,003
Total		1,589,968	1,569,592	1,856,391	
Grand Total - BSG			3,673,665	3,692,210	4,113,730

1/ Use prior to Dec. 2004 under Interruptible Sales service.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Stephen H. Bryant, President

RR-DTE-83: Provide a copy of the vote of the Bay State Gas Board of Directors, approving the recommendation to replace the Metscan system with the Itron system.

Response: Attachment RR-DTE-83 is a redacted copy of the August 23, 2000 minutes of the Bay State Gas Board of Directors meeting, held at the Company's corporate office in Westborough. Included is the unanimous vote to approve the agreement between the Company and Itron.

Westborough, Massachusetts

August 23, 2000

A meeting of the Board of Directors of Bay State Gas Company, duly called, was held today at the office of the Company, 300 Friberg Parkway, Westborough, Massachusetts at 10 a.m.

The following Directors of the Company were present, namely:

Stephen P. Adik
Jack E. McGregor
Daniel J. Murphy III
Gary L. Neale
Thomas C. Norton
Thomas W. Sherman
Roger A. Young
Jeffrey W. Yundt

The Chairman of the Board of Directors, Roger A. Young, presided, and the Clerk, William D. MacGillivray, kept the records of the meeting.

REDACTED

Westborough, Massachusetts

August 23, 2000

REDACTED

On motions duly made and seconded, the following votes were unanimously adopted:

VOTED: That the System Sales Agreement between the Company and Itron, Inc. involving the purchase by the Company from Itron of approximately 261,000 automatic meter reading devices for use with residential customers (240,000) and commercial customers (21,000) and related equipment, cables, fixtures, fittings, software licenses, documentation, training and project management services all as more fully described in the Agreement, having an initial term of 54 months, is hereby approved; and

That the officers of the Company are hereby authorized and empowered to execute and deliver any and all documents, instruments, and agreements, and to perform all further acts, as such officers shall deem necessary or appropriate to effect the purpose and intent of this vote.

Westborough, Massachusetts

August 23, 2000

There being no further business to be brought before the meeting, on motion duly made and seconded, it was unanimously

VOTED: That the meeting adjourn.

ADJOURNED.

A true record.

Attest:


Clerk

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Affairs

RR-DTE-99: Regarding the costs included in the SIR revenue requirement, what type of costs would be included in Account No. 382, Meter Installations, other than labor?

Response: Besides labor Account No. 382, Meter Installations, includes material items such as cocks, locks, meter bars, pipe and fittings, seals, shelves, swivels and bushings. It also may include transportation.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-100: Please illustrate by example how the Company will calculate the demand charge component of the SIR base rate adjustment.

Response: As indicated at the hearing on July 22, 2005, the Company has proposed to allocate the SIR revenue requirement to every base rate element of every base rate schedule based on the percentage of distribution revenue generated from each base rate element as a result of rates implemented in accordance with this instant case, DTE 05-27. After the SIR revenue requirement is allocated to each base rate element, the associated billing determinants are divided into the allocated revenue requirement to derive the incremental base rate charge. In the case of the demand charge component of the G/T-43 and G/T-53 classes, the seasonal cumulative maximum daily quantities for each class are the determinants used to derive the incremental unit demand charge associated with the SIR.

Please refer to Schedule JAF-2-10. The percentages of base revenue generated from the demand components of these rate classes are shown on page 4, lines 61 – 63. Of the cumulative SIR revenue requirement of \$9,380,165 (page 4, line 69), \$226,338 was allocated to the winter demand charge of the 2 classes (sum of G/T-43 and 53 on line 81) and \$52,371 was allocated to the summer demand charge of the 2 classes (sum of G/T-43 and 53 on line 82). The combined classes' allocated revenue requirement for each seasonal demand charge was then divided by the combined classes' demand billing determinants on page 2, lines 35 and 36. The calculation performed in Schedule JAF-2-10 is shown in isolation on Attachment RR-DTE-100.

Bay State Gas Company

**Derivation of SIR Base Rate Adjustment
to Demand Component of G/T-43 & G/T-53**

	<u>G/T-43</u>	<u>G/T-53</u>	<u>Combined</u>	<u>Sch. JAF-2-10 Line Reference</u>
<u>WINTER</u>				
SIR Revenue Requirement	\$ 44,778	\$ 181,560	\$ 226,338	Line 81
Demand Billing Determinants (Therms)	342,526	1,388,815	1,731,341	Line 35
SIR Base Rate Adjustment			\$ 0.13	Line 95
<u>SUMMER</u>				
SIR Revenue Requirement	\$ 4,198	\$ 48,173	\$ 52,371	Line 82
Demand Billing Determinants (Therms)	103,257	1,184,822	1,288,079	Line 36
SIR Base Rate Adjustment			\$ 0.04	Line 96

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-102: Please provide a copy of the Wall Street Journal highlighting an example of the prime interest rate to be used in determining total forecasted interest in Item I, page 20 of 35, of the Company's proposed cost of gas adjustment tariff, M.D.T.E. No. 36.

Response: Please see Attachment RR-DTE-102, which is a copy of a portion of page C13 of the Wall Street Journal published on Monday, July 25, 2005 providing the prime rate as of the prior business day, Friday, July 22, 2005.

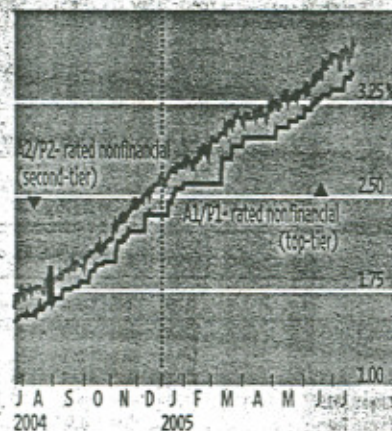
Note that this published prime rate represents the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks, and as such is a "consensus" prime rate. The Company will use the prime rate published at the time it is preparing the monthly close of its accounting books, for the monthly balances of all its deferred costs subject to the prime rate.

Money Rates

The key U. S. and foreign annual interest rates below are a guide to general levels but don't always represent actual transactions.

Commercial Paper

Yields paid by corporations for short-term financing, typically for daily operation



Source: Federal Reserve

Prime Rate: 6.25% (effective 06/30/05). The base rate on corporate loans posted by at least 75% of the nation's 30 largest banks.

Discount Rate (Primary): 4.25% (effective 06/30/05). Federal Funds: 3.375% high, 3.125% low, 3.250% near closing bid, 3.313% offered. Effective rate: 3.25%. Source: Tullett Prebon Information, Ltd. Federal-funds target rate: 3.250% (effective 06/30/05).

Call Money: 5.00% (effective 06/30/05).

Commercial Paper: Placed directly by General Electric Capital Corp.: 3.35% 30 to 44 days; 3.41% 45 to 62 days; 3.44% 63 to 89 days; 3.55% 90 to 119 days; 3.61% 120 to 149 days; 3.67% 150 to 179 days; 3.73% 180 to 210 days; 3.76% 211 to 239 days; 3.80% 240 to 263 days; 3.82% 264 to 270 days.

Friday, July 22, 2005

Euro Commercial Paper: Placed directly by General Electric Capital Corp.: 2.07% 30 days; 2.08% two months; 2.09% three months; 2.10% four months; 2.09% five months; 2.11% six months.

Dealer Commercial Paper: High-grade unsecured notes sold through dealers by major corporations: 3.40% 30 days; 3.46% 60 days; 3.55% 90 days.

Certificates of Deposit: 3.42% one month; 3.57% three months; 3.82% six months.

Bankers' Acceptances: 3.42% 30 days; 3.50% 60 days; 3.60% 90 days; 3.69% 120 days; 3.77% 150 days; 3.84% 180 days. Source: Tullett Prebon Information, Ltd.

Eurodollars: 3.44% - 3.42% one month; 3.52% - 3.50% two months; 3.63% - 3.60% three months; 3.72% - 3.69% four months; 3.79% - 3.75% five months; 3.85% - 3.83% six months. Source: Tullett Prebon Information, Ltd.

London Interbank Offered Rates (Libor): 3.46375% one month; 3.6600% three months; 3.88438% six months; 4.12063% one year. Effective rate for contracts entered into two days from date appearing at top of this column.

Euro Libor: 2.10825% one month; 2.12675% three months; 2.14088% six months; 2.18681% one year. Effective rate for contracts entered into two days from date appearing at top of this column.

Euro Interbank Offered Rates (Euribor): 2.106% one month; 2.124% three months; 2.142% six months; 2.187% one year. Source: Reuters.

Foreign Prime Rates: Canada 4.25%; European Central Bank 2.00%; Japan 1.375%; Switzerland 2.62%; Britain 4.75%.

Treasury Bills: Results of the Monday, July 18, 2005, auction of short-term U.S. government bills, sold at a discount from face value in units of \$1,000 to \$1 million:

3.220% 13 weeks; 3.420% 26 weeks. Tuesday, July 19, 2005 auction: 3.065% 4 weeks.

Overnight Repurchase Rate: 3.19%. Source: Garban Inter-capital.

Freddie Mac: Posted yields on 30-year mortgage commitments. Delivery within 30 days 5.50%, 60 days 5.56%.

Standard conventional fixed-rate mortgages: 3.375%, 2% rate capped one-year adjustable rate mortgages.

Fannie Mae: Posted yields on 30-year mortgage commitments (priced at par) for delivery within 30 days 5.68%, 60 days 5.731%, standard conventional fixed-rate mortgages.

Constant Maturity Debt Index: 3.576% three months; 3.816% six months; 3.958% one year.

Merrill Lynch Ready Assets Trust: 2.60%.

Consumer Price Index: June, 194.5, up 2.5% from a year ago. Bureau of Labor Statistics.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: July 27, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-105: Please do a calculation for bad debt recovery applying the method used by KeySpan in the document marked for identification as KED-2 in DTE 03-40 and using 2002 as the base year.

Response: Please see Attachment RR-DTE-105 showing the two-year (2003-2004) impact of bad debt recovery by using 2002 as the base year.

Bay State Gas Company - D.T.E. 05-27

Bad Debt Recovery Using 2002 as Base Year

A	B	C	D	E	F	G	H
	(DTE 9-18, p. 2 of 2)		(B-C)	(DTE 9-18)	(E x \$7,526,468)	(F + \$3,152,085)	(B - G)
	<u>Annual Net W/O</u>	<u>Fixed Recovery</u>	<u>Under Recovery</u>	<u>% Gas Cost</u>	<u>ADJ. CGA Recovery</u>	<u>Total Recovery</u>	<u>Under Recovery</u>
1999	4,746,397			52.64%			
2000	5,542,341			58.11%			
2001	8,100,254			58.99%			
2002	7,526,468			58.12%			
2003	9,936,287	7,526,468	2,409,819	64.55%	4,374,383	7,526,468	2,409,819
2004	9,076,524	7,526,468	1,550,056	67.90%	4,858,335	8,010,420	1,066,104
2003 - 2004	19,012,811	15,052,936	3,959,875		9,232,718	15,536,888	3,475,923
							(D-H)
	* Base Rate Recovery	3,152,085	41.88%		Impact of Gas Cost Percentage Change:	\$	483,952
	* CGA Recovery	4,374,383	58.12%				
		7,526,468					

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE MASS OILHEAT COUNCIL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Stephen H. Bryant, President

RR-MOC-02: Reconcile the difference in amounts stated in MOC 1-5 and MOC 4-4. The residential figure for 2004 in Table MOC-1-5 is 527, while the figure in the (b) response to MOC-4-4 is 418.

Response: The 418 figure in MOC 4-4 represents new conversion customers only. The 527 figure in MOC 1-5 represents the 418 new conversion customers, plus 109 existing low-use customers who converted to gas heat.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE MASS OILHEAT COUNCIL
D.T.E. 05-27

Date: July 27, 2005

Responsible: Stephen H. Bryant, President

RR-MOC-03: Provide information on finance programs available to customers. Include the terms and conditions, how offered, how funded by the Company, and any expense to the Company.

Response: Customers seeking financial arrangements for new furnace/boiler installations are referred to Capital Financial Services, Inc. (CFS). This is simply a referral with no monetary exchange between the Company and CFS, and no expense to the Company. Terms, conditions, rates, etc. of the financial agreement are between the customer and CFS. Bay State is simply providing the 800-telephone number for CFS.

Once financing is approved, CFS notifies the Company of the amount, and sends a check to the customer, made out to both the customer and Bay State Gas. The customer endorses the check and forwards it to Bay State for processing. Installation of the new furnace/boiler is initiated once CFS notifies the Company that the loan has been approved.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE UWUA LOCAL 273

D.T.E. 05-27

Date: July 27, 2005

Responsible: Stephen H. Bryant, President

RR-UWUA-5: Provide the number of open class 2 leaks as of July 2005, in whatever format typically used.

Response: Data from Bay State's Work Order Management System (WOMS) at approximately 11:00 a.m. on July 27, 2005, indicated that there were 165 class 2 leaks pending. Here is the breakdown by location:

Brockton –	53
Springfield –	46
Lawrence –	66

Note: This information changes frequently as leaks are repaired and new leaks are reported